



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 7, 2000

H.R. 2586 **Veterans Burial Plot Allowance Improvement Act of 1999**

As introduced on July 22, 1999

SUMMARY

H.R. 2586 would raise the allowance that the Department of Veterans Affairs (VA) pays for the burial plot of a veteran. CBO estimates that this bill would increase burial costs by \$12 million to \$13 million a year over the 2001-2005 period. Because H.R. 2586 would affect direct spending, pay-as-you-go procedures would apply.

H.R. 2586 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would provide as much as \$2 million per year in higher payments to state and local governments that have paid the burial costs of eligible veterans in certain cemeteries.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2586 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans affairs).

BASIS OF ESTIMATE

H.R. 2586 would increase the amount VA pays for plot allowances, and it would expand eligibility for plot allowances. H.R. 2586 would double the plot allowance from \$150 to \$300. VA paid about \$11 million for burial plots in 1999. CBO estimates that enacting H.R. 2586 would raise spending by \$12 million to \$13 million a year over the 2001-2005 period. Annual costs are estimated to rise over the period because the number of burials is expected to increase from fewer than 80,000 in 2001 to 85,000 in 2005 and to about 95,000 by 2010.

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
DIRECT SPENDING						
Spending Under Current Law for Burial Benefits						
Estimated Budget Authority	130	133	128	129	131	131
Estimated Outlays	130	133	128	129	131	131
Proposed Changes						
Estimated Budget Authority	0	12	12	13	13	13
Estimated Outlays	0	12	12	13	13	13
Spending Under H.R. 2586 for Burial Benefits						
Estimated Budget Authority	130	145	140	142	144	144
Estimated Outlays	130	145	140	142	144	144

Under current law, VA makes a payment of \$150 per veteran to states or subdivisions of states for certain veterans buried in a cemetery owned by the state or subdivision. Wartime service by the veteran is among the criteria for determining if the entity is eligible for the payment. H.R. 2586 would expand the criteria to include veterans who served only in peacetime. That change would add about 1,200 additional payments a year and increase spending by \$360,000 a year.

PAY-AS-YOU-GO CONSIDERATIONS:

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in direct spending are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Changes in outlays	0	12	12	13	13	13	14	14	14	15
Changes in receipts										Not applicable

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2586 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would provide as much as \$2 million per year in higher payments to state and local governments that have paid the burial costs of eligible veterans in certain cemeteries.

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